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ADMINISTRATIVE AND FINANCIAL MATTERS

Financial performance of UNFCCC: contributions and expenditures in 1996, and forecast for the biennium 1996-1997*

Note by the Executive Secretary

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I. INTRODUCTION

A. Mandate

1. By its decision 17/CP.1,[1] the Conference of the Parties (COP), *inter alia*:

(a) Approved the Convention budget for the biennium 1996-1997 at the level of US$18,664,200, not including conference-servicing costs;

(b) Took note of offsetting estimates of contributions, at levels still to be determined;

(c) Estimated conference-servicing costs for the biennium at the level of $5,300,000;

(d) Approved a staffing table for the core administrative budget;

(e) Authorized the head of the secretariat to make transfers between each of the main appropriation lines within prescribed limits (decision 17/CP.1, para. 5); and

(f) Requested the head of the secretariat to report to the COP on income and budget performance, and to propose any adjustment that might be needed in the Convention budget for 1996-1997.

2. By decision 18/CP.1, the COP invited Parties to make other voluntary contributions to support participation in the Convention processes and supplementary activities of the secretariat, with needs for the biennium 1996-1997 estimated at $4,820,580 and $2,761,830 respectively. It further requested the Executive Secretary to report to the COP on the status of voluntary funds and propose any adjustments that might be needed in the Convention budget for 1996-1997.

3. Pursuant to the above decisions, the Executive Secretary submits this first report on the financial performance of the United Nations Framework Convention on Climate Change (UNFCCC).

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[1] For the decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

B. Scope of the note

4. This note contains information on income and expenditure, and on some related budgetary issues, for all three UNFCCC trust funds, namely, the fund for the core budget of UNFCCC; the fund for participation in the Convention process; and the fund for supplementary activities. It should be read in conjunction with document FCCC/CP/1996/7/Add.1 which contains supporting tables. It has been prepared on the understanding that the costs of conference servicing will be financed from the regular budget of the United Nations throughout the biennium.

5. As regards the fund for the core budget of UNFCCC, the note contains revised budget estimates for 1996 and 1997. The estimates take into account experience for the four-month period 1 January to 30 April 1996, and are submitted prior to the move of the secretariat from Geneva to Bonn. The experience gathered to date is therefore limited and does not constitute a sufficient basis for firm predictions of income and expenditure for the biennium 1996-1997. Nevertheless, this report singles out such trends as are apparent in income and budget performance. Also, most of the uncertainties existing at the time the budget was approved can now be more precisely quantified. This refers especially, on the one hand, to the geographical location of the secretariat and its resulting impact on staff and other costs and, on the other, to income lines relating to contributions from the host Government, to the allotment of overhead for administration and to the balance, as of 31 December 1995, of the voluntary funds established by General Assembly resolution 45/212. The picture at this time, therefore, is clearer than when the budget was adopted on 7 April 1995; however, a firmer prediction of income and expenditure for the biennium will emerge, and be reported, only next year.

6. The note outlines how estimated expenditures for 1996 and 1997 have been reduced from the levels approved at COP 1, while some new requirements have been identified. **The net effect of the changes, which arise largely from the relocation of the secretariat, is a reduction in the cost to Parties for the biennium in the order of $4 million, or $2 million net of the special annual contribution of the host Government to the core budget.**

7. Income and expenditure data, and information on related issues, are also presented in respect of the trust funds for participation in the Convention process and for supplementary activities (sections III and IV respectively).

8. A final report on the trust funds established by General Assembly resolution 45/212 is also contained in this note (section V).

C. Possible action by the Conference of the Parties

9. The Conference may wish to:

(a) Take note of the information provided on income and expenditure performance in respect of each of the trust funds covered by this report;

(b) Review and determine the level of the working capital reserve (see paragraphs 46-48 below), as called for by decision 17/CP.1;

(c) Note the revised estimates submitted by the Executive Secretary as the basis for seeking contributions by Parties to the core UNFCCC fund for 1997;

(d) Confirm the practice described in paragraph 52 below, as regards the use of the trust fund for participation in the Convention process;

(e) Urge Parties that have not paid their 1996 contributions to do so without delay and to pay their 1997 contributions when they fall due on 1 January 1997; and

(f) Request the Executive Secretary to submit to the Conference at its third session, through the Subsidiary Body for Implementation (SBI), as appropriate, a further report on financial performance for the biennium 1996-1997.

II. TRUST FUND FOR THE CORE BUDGET OF UNFCCC

A. Technical adjustments to the budget approved by decision 17/CP.1

10. In a note verbale of 1 November 1995, the Executive Secretary transmitted to Parties revised budgetary projections for 1996. These revised projections, which are reflected in column 2 of table 1(a) in the addendum to this note (FCCC/CP/1996/7/Add.1), took into account:

(a) Provision by the United Nations of administrative support, resulting in savings of $400,000 (including overhead) in the expenditure estimates for 1996;

(b) The annual contribution to the core budget by the host Government of DM1.5 million ($967,700) in 1996;

(c) The outcome of consultations between the President of COP 1 and the Secretary-General of the United Nations on levels of senior posts, resulting in the costing of the post of Executive Secretary at the level of an Assistant Secretary-General and the maintenance of two D-2 levels for other senior posts (see FCCC/CP/1996/6/Add.3); and

(d) Some corrections of minor arithmetical errors.

11. Further developments affecting the 1996-1997 budget need to be taken into account now as follows:

(a) The final balance of the trust fund for the negotiating process established by General Assembly resolution 45/212, amounting to $889,700, has been established; $756,200 is now available for the trust fund for the core budget of UNFCCC with the balance being withheld to cover unliquidated obligations. (Because this amount will be credited against Parties' 1997 contributions, most of these funds will be held in reserve until 1997);

(b) The date of 1 August 1996 has been set for the relocation of the secretariat to Bonn, with the bulk of the move to take place between 24 July and 12 August. Although not all staff will transfer at that time, staff costs can now be recalculated at Bonn rates, taking into account the estimated transfer schedule. The result is an estimated saving in salary costs of approximately $320,000 for 1996 and $1,200,000 for 1997;

(c) Under the financial arrangements for United Nations support to the UNFCCC, and in keeping with United Nations practice, an amount of one per cent of the net base salaries of staff and of fees of consultants is to be levied as a reserve for possible claims in respect of service-incurred death, injury or disability. The related amounts are estimated at approximately $40,000 for each of the years 1996 and 1997; and

(d) For 1997, the annual contribution of DM1.5 million by the host Government has to be taken into account.

12. Some adjustment to the amount in the working capital reserve will be necessary to maintain the level of 8.3 per cent of expenditures or to reflect the results of the review of the level of the reserve (see paragraphs 46-48 below).

13. The combined effect of the above adjustments is shown in the addendum, for 1996 in column 3 of table 1(a), and for 1997 in column 2 of table 1(b). Total estimated expenditure is reduced from the $9,229,700 approved by COP 1 to $8,505,500 for 1996 and from $9,434,500 to $7,824,800 for 1997. Revised estimates of income[2] stand at $2,475,200 for 1996 and $1,334,600 for 1997. The resulting net totals are $6,030,300 for 1996 and $6,490,200 for 1997. The savings thus expected from these technical adjustments amount to an estimated $2,560,400 in 1996 and $2,609,700 in 1997. These savings will, however, be partially offset by additional requirements - especially as regards 1997 - related mainly to

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[2] "Income" includes the contribution of DM1.5 million by the host Government, contributions of staff by Governments and organizations, the balance of the trust fund for the negotiating process established by General Assembly resolution 45/212, and the indicative contributions from States that became Parties to the Convention during 1996.

operational expenses arising out of the transfer to Bonn and to the expiry of arrangements for contributions of core budget staff by Governments and organizations; these additional requirements are explained in paragraphs 35 to 45 below.

B. Status of contributions

14. The status of contributions to the UNFCCC core budget trust fund is shown in table 2 in the addendum. Contributions received as of 30 April 1996 amounted to $2,989,448. This represents 41 per cent of the previously estimated net expenditure for 1996 of $7,259,492, on which the contributions were based.

15. As of 30 April 1996, 28 Parties had paid their contributions in full. Three other Parties had made partial payments. In addition, the special contribution of the Government of Germany for 1996, in the amount of DM1.5 million, had been received.

16. Between 1 January and 30 April 1996, 16 States ratified or acceded to the Convention; no contributions have yet been received from those States. In accordance with United Nations practice, contributions from new Parties, as prorated for the year in which they ratify the Convention, will be credited to income for the year in question.

17. At current rates of expenditure (see paragraphs 18 to 20 below), contributions in hand cover budgeted expenses of the UNFCCC secretariat until June 1996. **The Executive Secretary trusts that all Parties which have not yet paid their contributions in full will do so without delay, bearing in mind that they were due on 1 January 1996.**

C. Expenditure, programme delivery and additional requirements

1. Overview of expenditure

18. Expenditures and obligations recorded through 30 April 1996 amount to $1,486,016, or 20 per cent of the estimated expenditure total for 1996 of $7,278,300 which was reported, for programmes of work, in the note verbale of 1 November 1995. Table 3 in the addendum breaks down recorded expenditures by main programmes and by objects of expenditure.

19. The expenditure trend is thus somewhat below that forecast in the Executive Secretary's note verbale of 1 November 1995. A higher than expected vacancy rate has affected expenditures for the first few months of 1996. This was due in part to uncertainties in the cash flow situation, as well as the transition to Bonn and the new personnel arrangements, which prevented recruitment to some posts. This in turn required greater than expected recourse to consultancies, and higher than estimated expenditures on consultants and short-term contracts. It is expected that some vacancies will be filled in the later part of the year.

20. The programme of work is evolving in the manner outlined in the programme budget proposal presented to COP 1 (FCCC/CP/1995/5/Add.2). Considerable strain on staff resources is being felt in work on reviews of communications from Annex I Parties and further strain is anticipated in 1997 as momentum picks up, for example, with regard to activities implemented jointly. The level of future work arising from the facilitation and consideration of national communications of non-Annex I Parties remains uncertain. The situation regarding reviews of Annex I Party communications is being managed through the flexible deployment of existing staff. Staffing needs, and other costs, will be reviewed in the next biennium budget in the light of the evolving work programme.

2. Programme delivery (January to April 1996)

(a) Policy-making organs

21. Estimated outputs show no change from those described in the Executive Secretary's proposed budget for the biennium (FCCC/CP/1995/5/Add.2, annex, paras. 4-9). Three of the subsidiary bodies met in February-March, for a total of two weeks of meetings. A total of 123 Parties attended, as well as 10 observer States, with an additional 72 observer organizations; these included both intergovernmental and non-governmental organizations. The contribution to the IPCC, in the amount of US$ 310,600, is scheduled to be paid later in the year.

(b) Executive direction and management

22. The head of the secretariat provided overall guidance to the work of the secretariat in its support to the Convention institutions. Priority was given to the establishment of the secretariat on a firm administrative and financial footing and the relocation to Bonn.

(c) Communication, assessment and review (CAR)

23. The CAR programme coordinated secretariat support for the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Ad Hoc Group on Article 13 and prepared documentation for these two bodies as well as for the SBI and the Ad Hoc Group on the Berlin Mandate (AGBM). Two reports of in-depth reviews and four executive summaries of national communications were also prepared. It also assisted the Group of 77 with a workshop and an expert meeting, convened at the request of the AGBM.

24. As regards national communications, the documents prepared dealt with guidelines followed by Annex I Parties in their national communications, with transfer of technology by Annex II Parties, and with first communications from non-Annex I Parties. The work on assessments resulted in documents on the IPCC Second Assessment Report, and in an inventory of technologies. Finally, as regards reviews, four in-depth reviews were undertaken; these included country visits. A progress report on in-depth reviews was made

to the subsidiary bodies, as well as an outline with preliminary tables for the second compilation and synthesis of national communications.

(d) Financial and technical cooperation (FTC)

25. The FTC programme coordinated secretariat support for the SBI and prepared documentation for the SBI and the SBSTA. This included documents containing information on relevant action taken by the Council of the Global Environment Facility (GEF), the establishment of a framework for reporting on activities implemented jointly during the pilot phase, and a progress report on the technical assistance activities of the secretariat. In accordance with a decision of the SBI, the secretariat in consultation with the GEF secretariat prepared, for consideration by the SBI and adoption by COP 2, an annex to the Memorandum of Understanding to give effect to the respective roles and responsibilities of the COP and the GEF.

26. The secretariat participated in meetings of the GEF Operations Committee, in which advice was provided to GEF implementing agencies on the application of decision 11/CP.1 (on guidance to the financial mechanism) to specific project proposals. The secretariat continued to facilitate the provision, through its partners, of financial and technical assistance to Parties for their implementation of the Convention.

(e) Intergovernmental and institutional support (IIS)

27. The IIS programme provided common services support to the secretariat as a whole, for example, in providing information system and administrative support. Its budget also reflects secretariat-wide expenditures for items such as purchasing, supplies and communications.

28. Conference management support was provided to the February/March meetings of the subsidiary bodies, and to the preparation of COP 2. Planning activities for COP 3 have also started.

29. The Information System subprogramme continued to maintain and further develop the secretariat's computer and electronic communications systems to provide Governments with up-to-date information on the Convention process. This included provision of free data processing facilities during the meetings of the subsidiary bodies in February/March 1996, and the further development of on-line services on EcoNet and the World Wide Web.

30. A further issue of the *Climate Change Bulletin* was prepared and distributed with the valuable cooperation of the UNEP Information Unit on Conventions. The Climate Change library provides a comprehensive collection of the official documents of the Convention, as well as related published and unpublished documentation.

31. In the area of administrative support, a system for budget monitoring and reporting has been developed and put into effect. Close cooperation is maintained with the United Nations offices in New York and Geneva dealing with personnel and financial administration. The administrative demands flowing from the establishment of new operating procedures for the Convention secretariat have been particularly onerous. The programme is also responsible for processing travel and related allowances, under the trust fund for participation in the UNFCCC process. In this transition period, the Department for Policy Coordination and Sustainable Development, through its administrative unit in Geneva, has generously continued to provide administrative support to the secretariat.

32. As an ad hoc assignment, IIS is working with the relevant offices of the Government of Germany, and the United Nations Development Programme/United Nations Volunteers (UNV), in setting up the new offices of the secretariat in Bonn. IIS is also coordinating arrangements for the move and for the transportation of personal effects of staff members. Additional details are provided in document FCCC/CP/1996/6/Add.2 on the relocation of the secretariat.

(f) Implementation and planning

33. This programme coordinated secretariat support for the AGBM. This included the preparation of documents and the organization of two informal workshops for delegates and observers.

34. The programme also monitors the implementation of the UNFCCC programme budget, prepares allotments of funds as required and coordinates internal planning activities.

3. Additional requirements for the biennium 1996-1997

(a) Staffing and redeployment

35. The budget and the current programme structure were approved by COP in April 1995. Experience gathered since that time, and the need to adapt to new or expanded mandates - for example, the servicing of the AGBM - will require a reevaluation of that structure, with the objective of ensuring adequate and coordinated support to all four subsidiary bodies. As noted in paragraph 20 above, some strains on staff resources are already apparent. The move to Bonn, which has already necessitated some reassignment of functions in the light of actual staff availability, is a further reason for reconsideration of the existing structure. The Executive Secretary will carefully review the issue in the second half of 1996 and will report thereon at the earliest opportunity. He envisages, in any event, that any required restructuring and/or redeployment of posts will be achieved within the limits of the authority he received from COP for this purpose (decision 17/CP.1, para. 5) and, of course, within the estimates reported in this note. Consequently, he is seeking no additional core staff for this purpose in 1997.

36. The Executive Secretary is investigating possible arrangements for liaison with United Nations offices and programmes in Geneva, as well as with permanent missions in Geneva to the extent this will be necessary, after the relocation of the secretariat to Bonn (see FCCC/CP/1996/6/Add.2). One general service administrative assistant, financed from the overhead charge, will remain in Geneva until the end of the biennium. The Executive Secretary is also exploring with other secretariats how they might collaborate in a liaison arrangement. The cost of such an arrangement, in the form of a portion of staff costs, would be limited and met within the existing budget. Action in this area will be reviewed on the basis of the responses from Governments to the secretariat's circular letter to permanent missions.

(b) Requirements arising out of the relocation of the secretariat

37. The presence of the secretariat in Bonn and the operation and maintenance of the premises in which it is to be housed, along with UNV and other United Nations offices, will involve additional financial requirements. These include utilities, security, cleaning services, maintenance of elevator and telephone exchange services, and the setting up of a pouch and postal unit. On the basis of information provided by the Government of Germany on costs related to the premises as well as estimates for other costs, and on the assumption that UNFCCC will bear 30 per cent of these costs, additional requirements can be tentatively estimated at $78,800 for 1996 and $274,100 for 1997.[3] Furthermore, additional requirements in 1997 are envisaged for consultants ($30,000) and for rental of office equipment ($25,000) as the secretariat will be required to develop and establish new data management capacities that have heretofore been made available to it in Geneva by other agencies. Possible additional requirements for insurance, and for minor maintenance, still have to be worked out with UNV; such additional requirements, if they materialize, will be reported by the Executive Secretary in his next report on the financial performance of UNFCCC.

38. Additional provision in the estimated amount of $37,000 in 1996 and $85,000 in 1997 will need to be made for higher travel costs, according to United Nations standards, arising from the fact that the average duration of long distance travel, especially to North America, will increase with Bonn as the starting point.

39. The estimate for communications will also need to be increased. At present, a dedicated telephone tie-line between New York and Geneva has minimized the cost of communications between UNFCCC and United Nations Headquarters. This will no longer be the case in Bonn, at least initially; also, provision needs to be made for communications between Bonn and Geneva. Consequential additional costs are estimated at $42,000 for 1996 and $119,000 for 1997.

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[3] These amounts are additional to the $56,400 for 1996 and $58,600 for 1997 included for this purpose in the budget approved by COP 1.

40. All of these new requirements are more than offset by the reduced staff costs arising from Bonn as a duty station.

(c) Income tax liability of staff members

41. Under United Nations regular budget practice:

(a) Posts are budgeted on a gross salary basis;

(b) "Staff assessment" in the equivalent of the difference between gross and net is thereafter credited as an income item, and therefore reduces the assessments of Member States; and

(c) Assessment of each Member State, however, is reduced only to the extent that it does not levy income tax on the United Nations salaries of its nationals; if it does levy income tax, the United Nations will refund the staff member the amount so paid and charge that amount to the credit of the Member State concerned.

42. This rather complex system does not, however, apply to trust funds that are not part of the regular budget. For these trust funds, posts are budgeted on a net salary basis, and any income tax levied on a staff member's United Nations salary is reimbursed by the trust fund as a direct charge against that fund.

43. As there is currently no basis for estimating the possible level of any such liability, a line has been introduced in the expenditure estimates for 1997 as a pro memoria item.

(d) Contributions of staff by Governments and organizations

44. Contributions of staff by Governments to fill posts in the core budget are ending or shifting to supplementary funding. Contributions of staff by organizations beyond the end of 1996 are being renegotiated. In these circumstances, it was considered prudent to delete from expected income in 1997 the amount of $334,600 which had been estimated when the budget was prepared in 1995. The Executive Secretary will report on any changes to this situation and adjust income estimates should such contributions be realized.

(e) Summary

45. The additional requirements set out in paragraphs 35 to 44 above thus amount to a total of $157,900 for 1996 and $867,400 ($532,800 in new expenditures and $334,600 in unrealized income) for 1997. They are shown under "additional requirements" in tables 1(a) and (b), and have been incorporated into the final column, "Final estimates", of those tables. As a result, net total requirements for 1996 are now estimated at $6,146,700 (as compared to the amount of $8,590,700 approved by the COP), while net total requirements for 1997 are estimated at $7,426,800 (as compared to the amount of $9,099,900 approved by the COP).

Thus, even with the new requirements identified above, the Parties will realize a reduction in the net total requirements for the biennium 1996-1997. This saving is currently estimated at over $4 million for the biennium, or $2 million net of the special contribution of the host Government to the core budget.

D. The working capital reserve

46. Under paragraph 14 of the Financial Procedures (see decision 15/CP.1, annex I): "Within the fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Conference of the Parties by consensus. The purpose of the ... reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the ... reserve shall be restored from contributions as soon as possible." At its first session, the COP decided to establish the working capital reserve at 8.3 per cent of the Convention budget for 1996 (representing one month of operating requirements) and to review the issue at its second session.

47. The requisite proportion of contributions received is being set aside to maintain the working capital reserve at the level of 8.3 per cent of expenditures. The working capital reserve currently stands at approximately $300,000. No drawdowns have been required.

48. The Executive Secretary is of the view that the reserve should be set at a higher level, in order to ensure the continuous functioning of the Convention process and its secretariat. It should be noted, in this connection, that the financial arrangements set out by the United Nations Under-Secretary-General for Administration and Management exempt the UNFCCC core budget fund from the standard United Nations requirement of maintaining a 15 per cent operational reserve on the understanding that the UNFCCC working capital reserve will be established and maintained under that account. Setting the working capital reserve at the level of 15 per cent of estimated annual expenditures would take into account longstanding United Nations experience and practice in establishing reserves to meet unexpected shortfalls.

III. TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS

49. Under paragraph 15 of the Financial Procedures, the purpose of this fund is to support the participation of representatives of developing country Parties, in particular those that are least developed countries or eligible small island developing countries, and of other Parties with economies in transition in the sessions of the COP and its subsidiary bodies. Currently, the basic eligibility criterion for funding of participation by a Party is that its per capita gross domestic product was $5,000 or less in 1992.

50. Table 4 in the addendum contains relevant financial data on this trust fund. As of 30 April 1996, contributions received amounted to $308,080. To this must be added the available balance, as of year-end 1995, of the special voluntary fund for participation

established under General Assembly resolution 45/212; this balance stands at $1,763,900, with $1,499,300[4] available to the Convention and the balance being withheld to cover any unliquidated obligations. Furthermore, the Government of Germany is expected to make a contribution for 1996 of DM500,000 ($345,000) to this Fund, the Netherlands has pledged 320,000 guilders and other Parties have indicated a willingness to make contributions.

51. The schedule of meetings for 1996 includes three sessional periods, each of two weeks' duration, involving the COP and its subsidiary bodies. As at 30 April 1996, the SBSTA, the SBI and the AGBM had each held one session. One hundred and fourteen Parties were offered funding to enable one delegate from each to attend those meetings; 92 accepted, for a total expenditure of approximately $435,000. Other costs for sessions in 1996 are estimated at approximately $1,700,000, the breakdown being as follows:

(a) For COP 2, funding has been offered to 118 Parties. Should funds permit, funding would be made available for a second delegate from 52 least developed country and small island developing country Parties, for a total estimated cost of $870,000;

(b) The meetings of the subsidiary bodies in December 1996, on the assumption of 120 Parties being funded, would entail an estimated expenditure of about $600,000; and

(c) Overhead of 13 per cent of expenditures for the entire year would amount to $248,000.

Hence, new contributions are required to assure participation, especially in the December 1996 sessions. Financing participation in the sessions of February/March 1997 will also require payment of contributions in 1996.

52. The objective of the fund - to support the participation in the Convention process of Parties which might otherwise be unable to participate - would appear to justify its use to cover travel and subsistence of delegates from eligible Parties in the following two cases:

(a) To participate in meetings of the intergovernmental technical advisory panels (ITAPs), should these be established. This would require resources additional to those identified in paragraph 51 above. These can be estimated at approximately $64,000 per meeting. In the event that ITAPs are not established and a roster of experts is developed, the fund could be drawn upon to finance participation costs of experts from eligible Parties in meetings explicitly mandated by the COP or the subsidiary bodies; and

(b) To participate in inter-sessional meetings of the bureaux of the COP and its subsidiary bodies or to allow members of the bureaux to participate in consultations or

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[4] Of this amount, a contribution of $287,500 has been set aside for 1997 at the request of the Government of Japan.

official meetings that are related to the Convention process or are otherwise of importance to the UNFCCC.

53. The COP may wish to confirm that the use of this fund as described in the above paragraph is consistent with paragraph 15 of the Financial Procedures.

IV. TRUST FUND FOR SUPPLEMENTARY ACTIVITIES

A. Regular contributions

54. Table 5 in the addendum contains relevant financial data on the trust fund for supplementary activities. As at 30 April 1996, contributions had been received in the amount of $355,219. The main area of activity has been related to CC:INFO which continued to update the database of climate change activities. The CC:INFO report continued to be distributed, in print and also electronically (on the "home page" of the Convention secretariat on the World Wide Web). A second meeting of the informal consultative group (CC:FORUM) was held in February 1996 to further consultations between States and organizations regarding the provision of resources for climate change activities. A "listserve" (electronic message rebroadcasting system) has been opened for members of CC:FORUM. Other areas of work included the Climate Change library and documentation centre and support for the workshop on mechanisms for inputs from non-governmental organizations convened during the February/March session. The secretariat is seeking additional voluntary funding to support these supplementary activities.

55. Expenditures and obligations recorded through 30 April 1996 amount to $21,452.

B. Special contribution of Germany - the "Bonn Fund"

56. Pursuant to its offer to host the Convention secretariat, the Government of Germany is expected to make a contribution of DM3 million to this Fund for 1996,[5] and a further annual contribution of DM3.5 million in 1997. It is envisaged that this contribution will be used for organizing and servicing intergovernmental meetings (60 per cent of the contribution in 1997), for informal meetings and workshops (29 per cent), for funding climate change information products (11 per cent), and to cope with unexpected new requirements arising in 1996 in respect of the move to Bonn. Discussions are currently under way with the Government of Germany on a reprogramming of some of the funds from 1996 to 1997 (or possibly 1998) in the light of the relocation of the secretariat.

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[5] An additional DM 500,000 will be contributed to the trust fund for participation in the UNFCCC process.

V. FINAL REPORT ON THE TRUST FUNDS ESTABLISHED UNDER GENERAL ASSEMBLY RESOLUTION 45/212

57. The present section provides a final report on the two extrabudgetary funds established under General Assembly resolution 45/212, namely, the special voluntary fund for participation (paragraph 10 of the resolution) and the trust fund for the negotiating process (paragraph 20 of the resolution). Tables 6 and 7 in the addendum show total contributions made from the establishment of the funds in December 1990 to 31 December 1995, and update the information contained in the note of the Executive Secretary on institutional and budgetary matters submitted to the SBI at its first session (FCCC/SBI/1995/4).

58. The General Assembly, in its resolution 50/115, noted that the Secretary-General intended to transfer the end-1995 balance of the trust fund for the negotiating process into the trust fund for the core budget of the UNFCCC envisaged in paragraph 13 of its Financial Procedures, and also to transfer the end-1995 balance of the special voluntary fund for participation in the negotiating process into the trust fund for participation in the UNFCCC process envisaged in paragraph 15 of the Financial Procedures. These balances, amounting respectively to $889,700 and $1,763,900, are being transferred to the new trust funds (subject to 15 per cent of the balances being withheld until 1997 to cover unliquidated obligations); however, it has been agreed that the UNFCCC can already start drawing on these amounts.

59. The contributions generously made to the trust fund for participation and the trust fund for the negotiating process amounted respectively to $7,253,002 and $5,873,766. These contributions helped developing countries, in particular the least developed among them, and the small island developing countries, as well as countries with economies in transition, to participate more fully and effectively in the negotiation process, and also contributed significantly to meeting the extrabudgetary expenses of the interim secretariat.